

Submission to the Senate Community Affairs Legislation Committee on the Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019

7 March 2019



About ACOSS

The [Australian Council of Social Service \(ACOSS\)](#) is a national voice in support of people affected by poverty, disadvantage and inequality and the peak body for the community services and civil society sector. Our vision is for a fair, inclusive and sustainable Australia where all individuals and communities have the opportunities and resources they need to participate fully in social and economic life.

Recommendation

The Committee should recommend that this bill be opposed.

This submission

This submission concerns the extension of the three cashless debit card trials in South Australia and Western Australia to 30 June 2020. We refer the Committee to our previous submissions for further detail about ACOSS's position on the compulsory cashless debit card trials (links included below).

Extension of cashless debit is not the answer

ACOSS opposes extending the cashless debit card trials under the Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019. There is no justification for the extension of this paternalistic, intrusive and punitive policy.

The Australian National Audit Office (ANAO)'s review of the Orima evaluation of cashless debit found that there is inadequate evidence to determine whether this policy has reduced social harm.¹ ACOSS questions how the government could extend a policy that greatly restricts people's freedoms without any credible evidence that it is meeting its objectives. The policy is also expensive. The total spend for three trials sites is now \$34 million, which excludes the largest trial site to date, Hinkler.

Cashless debit seeks to address addiction to drugs, alcohol or gambling by limiting the ability of income support recipients to purchase these products. However, the policy applies to anyone in the trial sites receiving a working-age income support payment (or targeted payment by age as in Hinkler), whether or not they have an addiction. It brands people receiving income support as unable to manage their meagre incomes because of harmful consumption of drugs, alcohol and gambling.

It is evident that the vast majority of people in the trial sites do not engage in harmful behaviour. And where people do have an addiction, cashless debit fails to address the underlying causes of addiction. In short, this policy is poorly designed to achieve its desired objectives.

¹ ANAO (2018) 'The Implementation and Performance of the Cashless Debit Card Trial'
<https://www.anao.gov.au/work/performance-audit/implementation-and-performance-cashless-debit-card-trial>

Key concerns with cashless debit

Concerns we have consistently raised regarding the cashless debit card include:

- There is a lack of credible evidence that restricting people's access to cash reduces the incidence of addiction to drugs and alcohol, or reduces anti-social behaviour.
- There is no evidence that cashless debit improves employment outcomes.
- The blanket application of this policy. There is evidence that applying cashless debit to everyone in the target cohort is misguided and potentially damaging.
- Cashless debit and income management indirectly discriminates against Aboriginal and Torres Strait Islander people, women and people with disability, as they are overrepresented among people affected.
- It greatly restricts the ability of people to manage finite resources and denies them access to cheaper goods and services that are cash only or sold online.
- It is expensive to administer, costing \$34m in Ceduna, Kununurra and the Goldfields for a cohort of less than 5,400.

Cashless debit is incompatible with Australia's human rights obligations

The Parliamentary Joint Committee on Human Rights (PJCHR) has repeatedly found that compulsory cashless debit and income management engages and limits the right to social security, the right to privacy and the right to equality and non-discrimination.² The PJCHR found that cashless debit is a disproportionate response to the issues it claims to address, questioning whether this policy is 'rationally connected' and 'effective to achieve' its objectives. This analysis by the PJCHR was endorsed by the Aboriginal and Torres Strait Islander Social Justice Commissioner June Oscar AO in the Australian Human Rights Commission's submission on the Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018.³ The Commission does not consider the cashless debit card policy as it currently stands to be compatible with Australia's international human rights obligations.⁴

A key issue the PJCHR has with cashless debit and income management is its compulsory nature. In 2016, the PJCHR said that while income management 'may be of some benefit to those who voluntarily enter the program, it has limited effectiveness for the vast majority of people who are compelled to be part of it'.⁵ The Australian Government has also acknowledged that voluntary income management is more effective, saying that it delivers more positive results than compulsory income management in its evidence to the United Nations Committee on Economic Social and Cultural Rights.⁶

² Parliamentary Joint Committee on Human Rights (2018) 'Report 6 of 2018' 26 June https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Human_Rights/Scrutiny_reports/2018/Report_6_of_2018 p.38

³ June Oscar AO, Aboriginal and Torres Strait Islander Social Justice Commissioner (2018), Submission to the Senate Inquiry into the Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018, 20 July

⁴ Ibid., p.3

⁵ Parliamentary Joint Committee on Human Rights (2016) '2016 Review of Stronger Futures measures' 16 March, https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Human_Rights/Committee_Inquiries/strongerfutures/2/Final_report p.52

⁶ The Australian Government (2018) 'Concluding observations on the fifth periodic report of Australia: Information received from Australia on follow-up to the concluding observations' Committee on Economic, Social and Cultural Rights 21 December, https://tbinternet.ohchr.org/_layouts/treatybodyexternal/Download.aspx?symbolno=E%2fC.12%2fAUS%2fCO%2f5%2fAdd.1&Lang=en p.3

The evaluations do not justify the policy's extension

The former minister for Human Services Alan Tudge stated that cashless debit would only be extended if an evaluation found that it achieves its objectives.⁷ Despite the lack of reliable evidence that this policy works, this is the third extension of the policy.

To date, there has been no collection of baseline data in any of the cashless debit card trial sites. The most recent report released outlining so-called 'baseline' data for the Goldfields trial puts forward qualitative research collected through interviews conducted in June and September 2018, at least three months after the card's rollout in the area commenced.

This latest research – which cost \$500,000 – outlines people's perceptions about the Goldfields community as opposed to a comprehensive analysis of the baseline conditions relevant to the trial. The report fails to provide basic information like a breakdown of people subjected to the trial by payment type, and there is no analysis of alcohol sales, use of health facilities for addiction, crime data, etc., before the card was implemented. We understand that a similar study is being conducted for the Hinkler trial site.

The pitfalls of the evaluation of the Ceduna and Kununurra trials have been well documented.⁸ The ANAO found that the Department of Social Services failed to correctly monitor and report on various outcomes of the trials in Ceduna and Kununurra. For example, DSS reported a decline in St John's Ambulance call outs, but the ANAO found, accounting for seasonality, there was an increase after the card was introduced. DSS also reported that anecdotally, there had been an increase in school attendance, however, the ANAO analysed school attendance data and found that it was stable for non-Indigenous students, and had declined for Aboriginal and Torres Strait Islander students.⁹

It is difficult not to conclude that there is an unwillingness to conduct proper, robust evaluations of the cashless debit card trials. While the government is funding evaluations, there are serious questions over their value in measuring the impact of cashless debit. Thus far, evaluations have been without a reliable baseline, based on anecdote or perceptions, or fail to correctly report key data relevant to the trial's objectives. The absence of credible evaluations of this policy is unacceptable, not least because of the substantial restrictions it imposes on people's lives.

Alternatives

We have previously recommended government adopt the following approaches as alternatives to cashless debit:

1. Government listen to, and work with communities to determine how best support them to progress their solutions to the issues they face. There must be genuine partnership between government and communities to advance local programs, services and ideas for reform.
2. Voluntary CDC, with transition arrangements in place for individuals and communities wishing to remain under CDC. Opt-in schemes should be co-designed with communities and include wraparound and coordinated supports such as drug and alcohol, mental health, financial counselling and social support services. This would be in line with alternatives put forward by

⁷ Minister for Human Services Alan Tudge (2015) Doorstop, Ceduna SA, Wednesday, 5 August
http://parlinfo.aph.gov.au/parlInfo/download/media/pressrel/3996105/upload_binary/3996105.pdf;fileType=application%2Fpdf#search=%22media/pressrel/3996105%22

⁸ See our submission to the Social Services Legislation Amendment (Cashless Debit Card) Bill 2017,
<https://www.acoss.org.au/wp-content/uploads/2017/10/170929-Submission-to-Social-Services-Legislation-Amendment-Cashless-Debit-Card-Bill-2017-FINAL.pdf>

⁹ ANAO, Ibid.

the Parliamentary Joint Committee on Human Rights and the Australian Human Rights Commission.¹⁰

3. As called for by existing trial-site communities, development and support of local community-led services and programs, including diversionary programs for young people, men and women's support services, follow-up supports for people leaving drug and alcohol rehabilitation, housing and homelessness services. Communities should have control over the services and programs provided.
4. Community-led approaches to job creation. We refer the Committee to the Fair Work and Strong Communities proposal, which offers a viable solution to job creation in remote areas, using a community-led approach.¹¹
5. Parenting programs supported and led by local communities. For example, a range of parenting programs were identified by the Social Policy Research Centre and Parenting Research Centre as alternatives to income management.¹² These programs are supported by evidence as being effective in improving outcomes for children and families, providing they 'fit the needs of families'.¹³

For more detail about ACOSS's position

Please refer to our previous submissions for further information about the cashless debit.

1. [Social Services Legislation Amendment \(Cashless Debit Card\) Bill 2017](#)
2. [Social Services Legislation Amendment \(Cashless Debit Card Trial Expansion\) Bill 2018](#)
3. [Cashless Debit Card briefing note](#)

¹⁰ Parliamentary Joint Committee on Human Rights (2017) Report 9 , p. 39
Aboriginal and Torres Strait Islander Social Justice Commissioner Mick Gooda (2016) 'Social Justice and Native Title Report 2016', Australian Human Rights Commission
https://www.humanrights.gov.au/sites/default/files/document/publication/AHRC_SJNTR_2016.pdf

¹¹ APONT (2017) 'Fair Work and Strong Communities: Proposal for a remote development and employment scheme'
http://www.amsant.org.au/apont/wp-content/uploads/2017/07/RDES-Report_Online.pdf

¹² Parsons et al.

¹³ Ibid., p. 79